DESIGN SENSE®

A MARKETING PUBLICATION OF LIPPINCOTT & MARGULIES NUMBER 30

Can Total Marketing Help the Financial World? . . . . . page 3

How Royal Bank Acquired a New Look and Image . . . . page 6

A Bank Consumer-Tests Its Name . . . . . page 10

Why Bankers Life Nebraska Needed a New Face . . . . . page 11

More people today have more investment income. More people own stocks, mutual funds, insurance and savings accounts today than ever before. Yet the consumer seems more sophisticated than truly knowledgeable about financial services. The multiple, often conflicting communications from these services confuse rather than enlighten the consumer. Therefore, as the potential market continues to grow and expand, the biggest opportunities are open to the financial service which learns to become not merely sales-oriented but consumer-oriented.

DESIGN SENSE 30

The financial community must become more consumer-oriented.

This premise, which may seem self-evident to some management of financial institutions, is at the core of this issue of our publication.

What do we mean by total marketing and consumer orientation in this context?

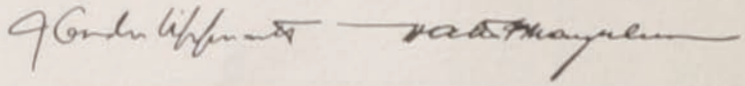
Basically, we mean an approach which begins by finding out exactly what the consumer or potential market really wants and needs in the way of financial services prior to shaping these services into salable packages.

We mean a program of developing consistent relationships with the market, the consumer, through clear and meaningful communications from the financial house.

In brief, we mean: Find out what the public wants in the way of service. Develop your services, and sales approaches according to these guidelines. And, project a consistent image of your firm and your services through all your communications with your public.

Our lead story (starting on page 3) discusses in some detail what the importance and impact of such a total marketing approach can be. Subsequent case studies sketch briefly how this approach has worked for two banks and an insurance company.

What can it do for you?



MARKETING: A TOOL FOR FINANCIAL SERVICES
Can the financial community become more consumer-oriented? Here is an analysis of the sales impact that total marketing can have **3**

HOW ROYAL BANK REVAMPED ITS IMAGE
One of the world's largest banks is in the midst of a major corporate identity program. Here is a graphic account of its total effort **6**

A BANK CONSUMER-TESTS ITS NAME
National Newark & Essex Bank wanted maximum recognition, memorability for its name. Here is the way L & M helped the bank achieve it **10**

WHY BANKERS LIFE NEEDED A NEW FACE
Bankers Life Nebraska was being confused with competing insurance companies. Today a new mark and signature give the firm uniqueness **11**

A marketing publication of Lippincott & Margulies Inc., industrial designers and marketing consultants, 430 Park Avenue, New York 22, New York. In Canada Lippincott & Margulies Ltd., 481 University Avenue, Toronto, Ontario, Canada.

No part of this periodical may be reproduced without consent. © Lippincott & Margulies Inc. 1962.

Family Mutual
Life Insurance
Company
of New York
INSURANCE
500

Financial services must compete not only with each other but with consumer products for the consumers' disposable income. They must therefore be consumer-oriented from concept to sales communication

CAN MARKETING HELP THE FINANCIAL WORLD?

This winter there will be kitchenware give-aways, piano recitals, art exhibits and even a miniature skating rink in varying banks, as these financial institutions seek to attract traffic, depositors and additional business.

Insurance companies and brokerage houses will mail out an unprecedented stream of literature, occasionally punctuated with a promotional give-away.

The advertising budgets of banks, brokers, insurance companies and mutual funds will reach an all-time high during this 1962-1963 season, as varying financial institutions vie for the American investment dollar.

To what extent will this avalanche of advertising and promotion attract business to the various financial services?

Indeed, what does make a man patronize one bank, one brokerage house, one insurance company rather than any of their competitors?

What makes him decide to put his dollars into mutual funds plus insurance versus a savings account and stocks or vice versa?

These, of course, are the questions that the financial community has sought to answer.

In the late Forties, as competition for America's disposable income suddenly intensified, the financial community realized that rendering its various services was not enough to guarantee success. They realized that they had to let their potential customers know about these services and their many advantages. It was at this time that a new era began. The financial community became sales-oriented.

Sales-oriented services

Some companies tried advertising for the first time in their history. Others ventured into attention-getting promotions. Many firms began developing training programs for their salesmen, because they realized that it was important for the company's representatives to go out and meet the consumer effectively and persuasively.

However, these sales efforts, although often successful when isolated and compared to the inertia of competitors, have not yet provided an adequate answer for the financial community. To date, it has been difficult to measure their inadequacy. Throughout the Fifties, sales opportunities for all financial services had been increasing steadily and their total market growing by leaps and bounds. Nearly all financial services prospered.

In the Sixties, the expansion of the total market for financial services is very likely to continue, but the competition for America's investment dollar has increased even more rapidly. It may no longer be enough to know that the Sixties have already seen peak annual numbers of new households with new insurance needs. True, there are today over 17 million stockholders in the country—a record unforeseen a decade ago. But this figure does not contain an inbuilt guarantee of success for the individual brokerage house. The American public has the largest disposable income it has had in its history. But it also has today the broadest choice of ways to spend or invest this income.

From its own work in the financial community, Lippincott & Margulies feels that the answer does not lie in becoming more and more sales-oriented. Rather, L&M counsels, apply total marketing to financial services as it has been applied successfully in the package goods industry.

Total marketing is the solution

What does this term, "total marketing," mean for insurance companies, banks, brokers, funds? And how does it differ from the approaches that some of these services have been trying in the recent past?

It means, first and foremost, that the financial services must become more consumer-oriented. They must learn to tailor their services to the actual and real needs of their potential market.

This does not necessarily mean there is a need for a drastic overhaul or major changes. Indeed, sometimes it is the aggregate of small changes, intended to make the customer more at ease or the transaction easier to complete, that can make a major difference in the company image and its customers' attitudes. This

is as true for the management which has to conceive and "package" new consumer-oriented financial services as it was true of the management which found that it could move more five-pound bags of sugar by adding a consumer-convenient spout to the package for easier pouring.

It is well to remember what Emerson wrote: "What you are stands over you the while, and thunders so that I cannot hear what you say to the contrary."

Character, as every banker knows, is very important to his business life. It is part of his own evaluation of a firm or individual as possible investment or loan risks. No banker goes by past financial histories and statements alone. He also wants to know the firm's future prospects. Where those are concerned, he ultimately has to rely upon the firm's communications as indicators of an energetic management, and of all the other characteristics that make it attractive to do business with.

Bankers' image

But the banks themselves have not always done themselves justice. Their appearance does not always reflect their true character. How many, for example, still have interiors reminiscent of a turn-of-the-century style of architecture?

In banking, a strong desire for heritage is an understandable and desirable trait. But this doesn't mean that the bank has to use quill pens. As a matter of fact, banks have been in the forefront where a number of new business techniques are concerned. Banks were the leading, if not the first industry to invest heavily in time-saving and efficient electronic data-processing equipment.

But their appearance usually does not convey this modern and streamlined efficiency. Architecturally, some of the new branches of leading banks do strive for a more modern look. All too often, however, this modernity is so individual that the branch does not seem a part of the bank family.

Nor are most bank interiors truly consumer-oriented. Is the main banking room comfortable and cheerful-looking, or dull and forbidding in contrast with the bank's own advertising claims to friendliness and neighborliness? Can a customer discuss his most confidential financial affairs with some sense of privacy? In most banks he is still interviewed in the middle of an open office area at a desk surrounded by other bank officer desks, in an atmosphere that conveys little privacy.

Bankers' name game

Very often, even the name of a bank fails to project the image which some of the bank's other communications seek to create. The reasons for this problem are historical. Originally, banks bore the name of the region or industry in which they carried on most of their activity. The unprecedented number of bank mergers in the past decade has made bank names sound like a parody on the Acheson, Topeka & the Santa Fe and Chicago, Milwaukee, St. Paul & Pacific. Indeed, it is a challenge to the consumer today to recall the names of all but the leading banking institutions.

Rarely today does a bank name still describe accurately the bank's main area of activity. Furthermore, the names are often stumbling blocks to clear identification and memorability. An increasing number of bank managements have become conscious of this problem. As an example, the Chemical Bank New York Trust Company recently shortened its name for communicative purposes. Whether the currently used Chemical New York Bank is the whole answer remains to be seen.

Of course, the question of names is extremely complex. And there are times when compromise with tradition is desirable. Because of its awareness of name equities, L&M has become known in this field as retainers of equities. This understanding is equally important for financial institutions when it comes to the development of appropriate symbols.

In the case of the Royal Bank of Canada, L&M sought to retain and enhance a sense of tradition and heritage alongside modern characteristics, when it developed a new signature for the bank. It found the solution in a heraldic mark, rendered in a unique and modern style. (See pages 6-9 for details of the Royal Bank story.)

Symbols are, of course, as important for insurance companies as they are for banks. In the past, insurance companies have favored realistic representations such as Equitable's widow and child and Prudential's Rock of Gibraltar, or a picture of large home office buildings.

Many symbols like these become outmoded rapidly, and too often they fail to project consistently what the corporation would like them to project. For example, in 1943 it seemed for a time possible that the Rock of Gibraltar would fall into the hands of the Nazis. Indeed, in the case of realistic symbols like that one, it does not necessarily take an international catastrophe to affect the meaning of the symbol.

However the fundamental problem faced by many financial institutions goes even deeper than the problem of corporate look and corporate communications. Some financial houses have simply allowed themselves to lose real contact with their market. In such cases it is obviously impossible for a firm to be "consumer-oriented."

Why consumer-oriented

Some brokerage houses, for example, so scientific in their financial research, have failed to use total marketing know-how and methods to take the pulse of their own market. And yet, this market is a share of the 17 million Americans who are stockholders today, not to mention the millions who could still be attracted into the market. Few service industries can claim that large a potential market.

Despite the opportunities to learn the real and changing needs of the consumer, many brokerage houses limit their market research to mail surveys of

FIVE WAYS A FINANCIAL SERVICE CAN BECOME CONSUMER-ORIENTED IN ITS MARKETING EFFORT

1 RESEARCH CONSUMER NEEDS

Be sure to follow up your former and bad customers as well as the good ones. Indeed, periodically research your total potential market to make sure your services are tailored to real needs

2 HOW DO PEOPLE VIEW YOUR TYPE OF BUSINESS?

Analyze your image not only to find out what your potential customers think of you, but also how they feel about you in context with your entire industry

3 STIMULATE NEW "PRODUCT" PLANNING

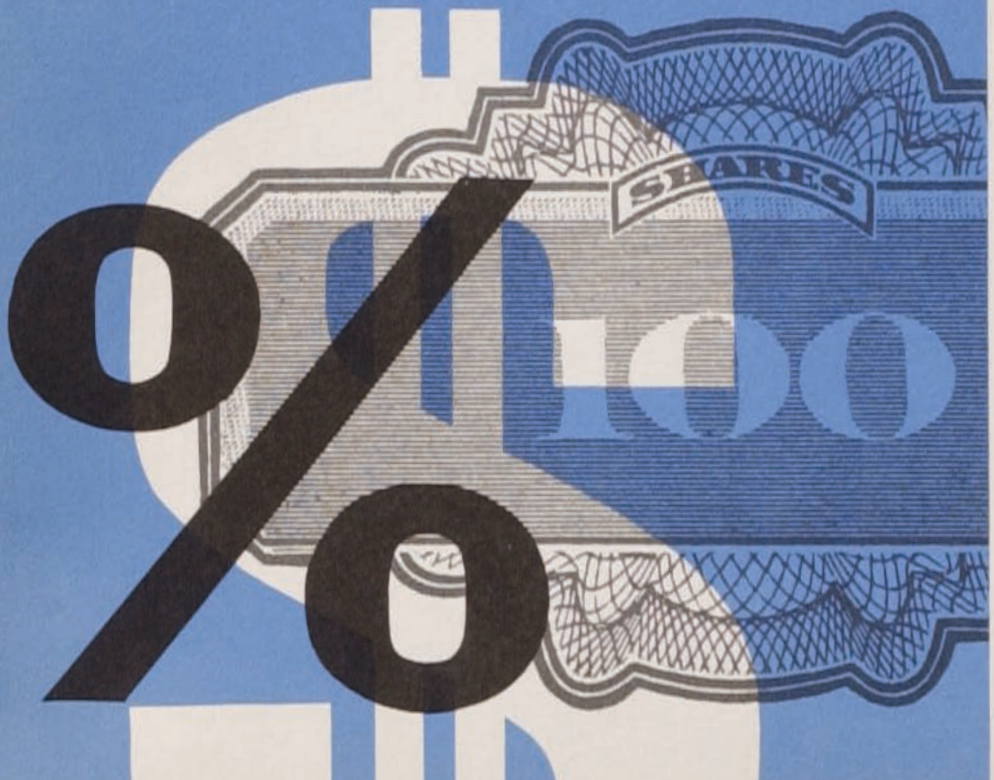
Develop services that are an extension of your present effort and for which there is a well-researched need and market. The new services of today may sometimes become the bulk of your entire business tomorrow

4 INTRODUCE SERVICE IMPROVEMENTS:

Make sure that your service at all times makes it as easy, efficient and agreeable as possible for the consumer to do business with you in terms of convenient forms, comfortable furniture, prompt service

5 PRETEND YOU ARE THE CUSTOMER

Now ask yourself, as you walk into your office, is this a good, reliable, pleasant place in which to do business? Are the services useful and meaningful to you? Are the forms clear, attractive and helpful to you?



their existing customers. Too often, this does not answer why some previous customers have stayed away, why other investors refuse to work with this house or that one, and why, indeed, millions of Americans, with ample investment funds, still shy away from securities.

Few brokerage houses have taken a thorough analytical look at their own position. Few, despite organized sales programs, have questioned their fundamental sales techniques. Fewer still have tried to look into the future to determine what the role of their business and of other financial institutions affecting their business might be 20 years from now.

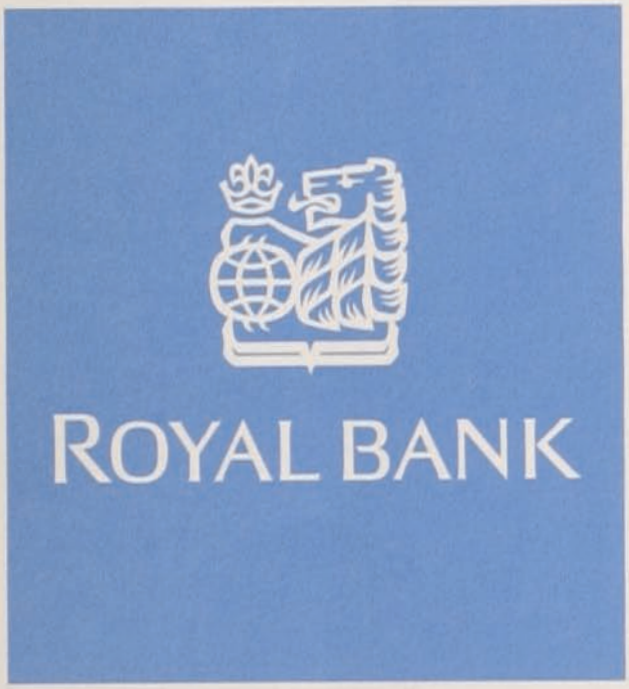
Yet even now some of the trends affecting the consumer are indicated. Mutual funds are now moving into insurance; insurance companies into banking. And there is every likelihood that the crossing of lines will continue and intensify rather than abate as both the financial community and its market continue to grow.

Despite this cross-pollination, the customer for today's financial services has more financial sophistication, but little knowledge. He deals in pat phrases, without real understanding. In his thirst and need for more knowledge lies one of many sales opportunities for the consumer-oriented financial firm which designs its sales program as a real consulting aid to its customers.

Competition for the investment dollar is at an all-time peak. The real growth opportunity, therefore, will belong to those financial institutions and firms that learn to apply total marketing concepts to their business planning.

Here are the basic steps involved in becoming consumer-oriented:

1. Consumer-research your services to make sure they answer real needs.
2. Consumer-research your market to discover needs for new or revised services.
3. Review your corporate look and communications to find out whether these project the image the firm seeks.

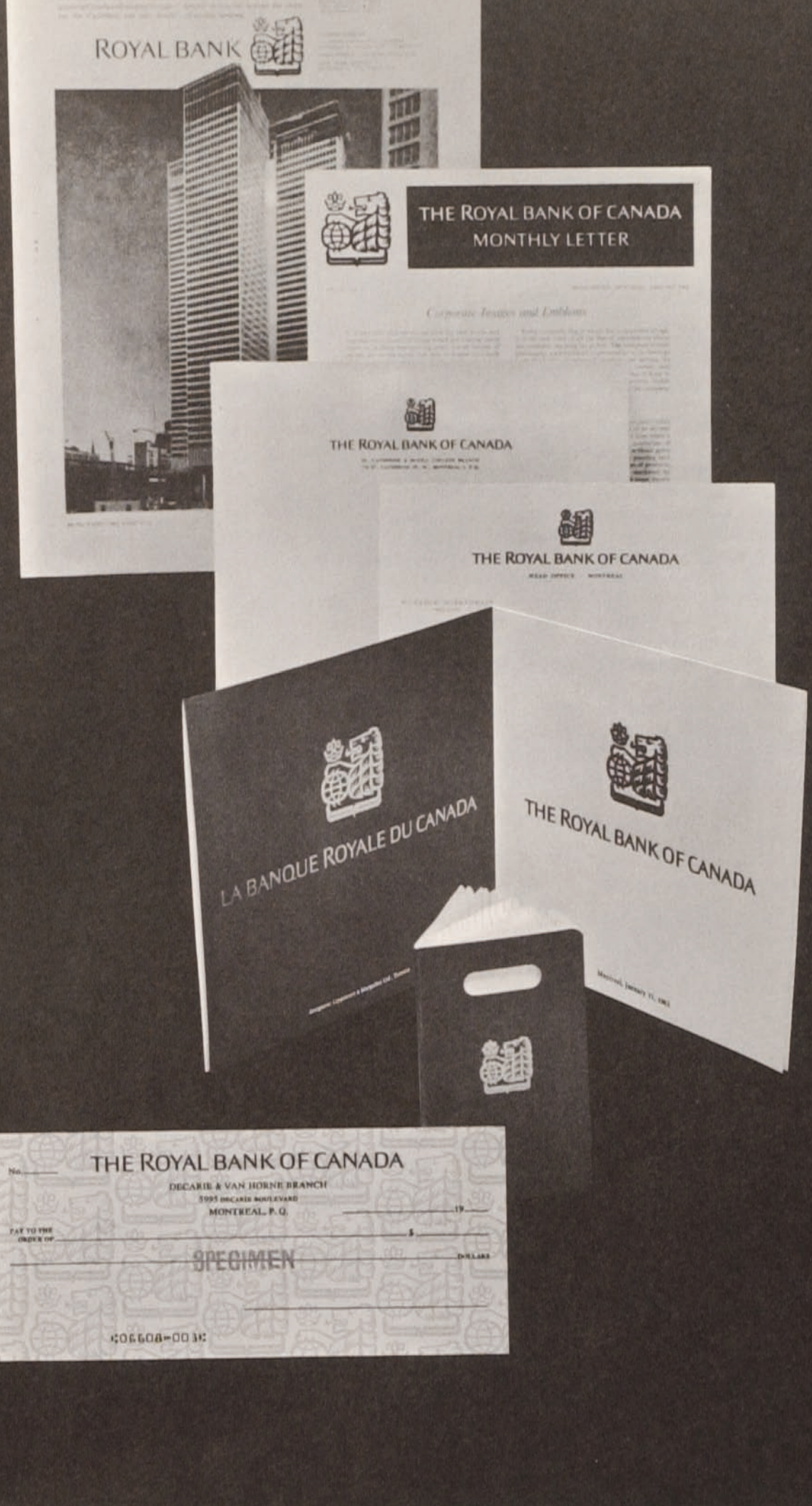


loyal. The corporate image affects both productivity and labor turnover.

Next are the investors. The image presented to the financial community by a company may be the deciding factor in the purchase of shares.

Then we turn to the general public, made up of people who have no particular ties with the corporation. The view they have of the company will be communicated to customers, employees, investors through comment and criticism.

The new mark developed for Royal Bank by Lippincott & Margulies has been applied to uniforms, written forms, internal communications and signage for the bank as shown on these pages. L&M is now in the process of developing a standard for Royal Bank's interiors to carry the corporate identity program to its logical climax: the look of the place where business is transacted.


ROYAL BANK
THE ROYAL BANK OF CANADA
MONTHLY LETTER
Corporate Images and Emblems
THE ROYAL BANK OF CANADA
THE ROYAL BANK OF CANADA
LA BANQUE ROYALE DU CANADA
THE ROYAL BANK OF CANADA
THE ROYAL BANK OF CANADA
DECARIE & VAN HORNE BRANCH
MONTREAL, P.Q.
SPECIMEN

A GROWING BANK CONSUMER-TESTS ITS IMAGE

Should a large bank with its many branches try to appear to be a local and friendly community service?

Or, should a bank stress its great size, regional scope, and multiple streamlined and automated services?

This was one of the key dilemmas faced by the National Newark and Essex Banking Company in 1962. The bank, third largest in the State of New Jersey, had been founded in 1804.

A forward-looking management, headed by Robert G. Cowan, chairman of the board; Gustave E. Wiedenmayer, president; and Theron L. Marsh, executive vice president, had already introduced all of the latest services into National Newark and Essex' banking practices, including centralized bookkeeping with high-speed electronic computer equipment.

However, management felt that the bank's communications had not been keeping pace with its services, and that an excellent advertising and sales promotion program was being diffused because of the bank's long and confusing name, the company's old fashioned symbol and signage.

National Newark & Essex Bank needed a more distinctive mark and signature than the circle emblem (left) that it had previously used. L&M's solution (below) was a modern, abstracted tree in a more unique oval shape to symbolize growth

NATIONAL NEWARK & ESSEX BANK

The name of the bank, like the names of most banks today, was the product of growth through mergers. Indeed, mergers have caused banks to have some of the most unwieldy names of any industry, and hence an increasingly complex communication problem. Furthermore, a New Jersey law forbids the opening of a branch in any town outside of its main office community where a bank already exists. Therefore, National Newark and Essex also owed some of its 20 branches to mergers.

An identity problem

Here, then, is the way Harold Brotherhood, advertising director for National Newark and Essex, summarized the bank's problem when he sought a solution from Lippincott & Margulies:

1. The bank feared a confusion of its name with competing banks.
2. The old-fashioned connotations of the "Banking Company" part of the name belied the bank's modern approach to its services.
3. The old round seal symbol for the bank, using the plow taken from the Jersey State seal and a steamboat reminiscent of Fulton's Claremont, did little to project the bank's desired image as modern and progressive as well as stable and friendly, large and local.

L&M's first step in finding a solution to these problems was a consumer study in three Essex County markets to determine how people reacted to the name of the bank. The markets chosen for the two tests were Newark, East Orange and West Caldwell for a cross-section of large, medium-sized and small towns.

The study revealed that the bank need not fear confusion with its competition. Consumers were quite aware of its name, although they referred to the bank as "National Newark and Essex."

Based upon these findings and upon the bank management's stated intention to retain as many of the equities of the old name as possible, L&M recommended that the bank change its name to "National Newark and Essex Bank," merely dropping the archaic description of its business.

L&M also developed a new mark for the bank to replace the old-fashioned and meaningless symbol previously employed. The new mark, an abstract presentation of a tree in a vertical oval, also has the date, 1804, when the bank was founded, in its design, to stress the length of service. The mark is a spring green to connote growth.

The next step was the development of a new logotype for National Newark and Essex Bank, and organizing a system for the bank's signature using the logo and the mark.

L&M studied the design of the bank's checks, office forms and other communications to find effective application of the new signature. Subsequently, a program of signage was also developed for the branches, coordinating graphics and architecture for a harmonious and individual look.

The over-all identification and design program including the name change went into effect in October 1962. Its purpose:

1. To project an image of friendly and local service, since a bank depends upon an individual relationship with its customers.
2. To project an image of a stable, sizeable and progressive organization, since banks like other firms in a service business rely for success upon their ability to offer proved, efficient and up-to-date services in a competitive business climate.

WHY BANKERS LIFE NEBRASKA WILL REAP FUTURE PROFITS

Why did a successful life insurance company, with an excellent growth record in the recent past, feel the need at the peak of its success for a major image study and corporate identity program?

In 1961, Bankers Life Insurance Company of Nebraska experienced the best year in its 75-year history.

Yet in Fall of 1961, Bankers Life Insurance Company of Nebraska called upon Lippincott & Margulies for counsel and help in a major corporate identity program.

Insurance companies in general, despite their vast growth and financial strength in our post-war economy, tend to lack a defined image. As though by agreement, all life insurance companies have sold principally the concept of insurance rather than the specific company itself. The entire industry tends to place great emphasis upon words and literal explanations, because its transactions are so bound up with contracts, legality and small print. Therefore, company signature and names have rarely carried a real visual impact.

Furthermore, where any company image at all is concerned, again as though by concert, all insurance companies seem to have been striving for the same three characteristics: solidity, stability and endurance.

Because of the enormous funds which insurance companies must profitably invest, management of most insurance companies is directed by financial men rather than marketing men or even top insurance salesmen. Insurance company promotion and advertising have been distinguished largely by their similarity from one firm to another.

A handful of leaders spend multi-million dollar advertising and promotion budgets to sell the concept of insurance. Of course, all insurance companies devote a portion of their budget to attracting agents, since they are the key to insurance company success. But Bankers Life Nebraska puts even more effort into this particular activity because of the forward-looking outlook of its young management.

This management development effort has been headed by President George G. Cook, and Sales Vice President James W. Lantz. Bankers Life Nebraska Director of Advertising and Sales Promotion Thomas A. Yates works directly with Ayres & Associates, the company's Lincoln, Nebraska advertising agency.

The reason why agents are so vital to the insurance business are obvious. A package goods manufacturer, such as General Mills, for example, sells through retail outlets and advertises so that the consumer will come into the store and ask for his product. Life insurance selling is very different. The customer doesn't come into a store or office and ask for it. An agent has to go seek out the customer and sell him.

Therefore, when L&M analyzed the insurance company's business approaches and needs, L&M reached the following conclusion: It was no longer basic to the success of this firm to continue emphasizing along with the rest of the insurance industry, that it had stability and integrity. These points, L&M felt, had long since become accepted, did little to distinguish Bankers Life Insurance Company of Nebraska from its competitors, and had little appeal to the new agents the firm was trying to attract.

George B. Cook, youthful president of Bankers Life Nebraska, heads the management which sought a modern image

L&M therefore said: Let us sell modernity and progressiveness to appeal to new agents. The goal should be to project as modern an image as possible for the company, without stretching the bounds of credibility in a basically conservative business.

Part of the original problem was the company name itself. Best's Life Insurance Report of 1961 lists 16 insurance companies which start with the word "Bankers" at the beginning of their name. Six of these actually start with the two words, "Bankers Life," just to add to the confusion. And three of these have exactly the same name as Bankers Life Insurance Company of Nebraska, except that their home town is different: for example, Bankers Life Insurance Company of Dallas, Texas.

The name confusion

Therefore, "Bankers Life" alone does not identify the company at all. At the same time, the name does have an equity developed over 75 years which the company would have been hesitant to abandon.

L&M therefore recommended that the company change its communicative name to "Bankers Life Nebraska." This shortened version of the legal name has the advantage of unity, and focuses upon the individuality of this company compared with other similar names.

The company also had an interesting mark which was interwoven with all of its advertising, promotion, agents' educational efforts, company-employee relations, and, indeed, gave its name to the company publication, The Sower. This mark, a man sowing seeds, was based on Millet's famous 19th century painting. The figure also stands atop the state capitol building in Lincoln.

L&M felt that this mark was a singularly appropriate one for an insurance company. The Sower symbolizes all of the important functions which a life insurance company should project, from the concept of a man sowing to reap a harvest later as an individual does when he invests in insurance; to the concept of a man providing for his family, as the traditional figure of the farmer sowing always represents; to the concept of safe investments on the part of the insurance company itself.

However, the rendition of the Sower which was then being used by Bankers Life Nebraska was both old-fashioned, too realistic a copy of the statue, and not sufficiently dramatic. L&M redesigned the mark to give it a powerful and modern appearance. The Sower today is a taller and far more heroic figure than he was, to capitalize upon the excellent qualities which he projects for the company. Furthermore, he is now rendered in a stylized black and white silhouette rather than in detailed line work. This assures more dramatic reproduction. It also enhances the contemporary barrel shape of the mark.

New look, new signature

Subsequently, L&M worked out a company signature, featuring the new Bankers Life Nebraska logotype and the newly designed mark.

The company announced the change to its agents, employees and to its other publics during the Summer of 1962. The new advertising appearing in national media this Winter will carry its new signature.

In summing up his corporate identification presentation speech at the company's 75th Anniversary Convention in Summer 1962, Tom Yates, director of advertising and sales promotion, had this to say:

"We feel that Lippincott & Margulies has done an outstanding job in developing and formalizing our corporate identification system. Although we don't anticipate that it will double our sales, or turn us into the largest life insurance company in the world overnight, we do feel strongly that when we gather to celebrate our 100th anniversary, 25 years from now, that the steps we have taken today will have proved to be extremely beneficial to us all."

On Tuesday morning, 16 October, H. F. Johnson, chairman of the board, S. C. Johnson & Son, Inc.; Walter P. Margulies, president, Lippincott & Margulies, Inc.; Howard M. Packard, president, S. C. Johnson & Son, Inc. (l. to r. above) broke ground at the 33,000-square-foot site for the Johnson's Wax pavilion at the New York World's Fair.

As represented in the architectural rendering, the soaring superstructure of the Johnson's Wax pavilion is composed of six graceful white steel petals rising to form a partial canopy. The six petals encircle a sunken reflecting pool. The "disc" containing a theater for an audience of 600 will be suspended 24 feet above ground level. A semi-circular exhibit building curves around the theater.

"The Fair will be a world-wide architectural showcase," Howard M. Packard said. "Therefore, we also see an opportunity to make a contribution toward advanced architectural concepts in the same pioneering spirit attributed to the commissioning of our Racine business buildings to Frank Lloyd Wright."

Lippincott & Margulies has the over-all responsibility for the Johnson's Wax World's Fair design, exhibit and show. L&M was commissioned to do this job after it had completed a marketing survey to study the impact of the Fair on consumers.

LIPPINCOTT & MARGULIES, INC., 430 PARK AVENUE, NEW YORK 22, NEW YORK

LIPPINCOTT & MARGULIES, LTD., 481 UNIVERSITY AVENUE, TORONTO, ONTARIO, CANADA

INDUSTRIAL DESIGNERS AND MARKETING CONSULTANTS

PRINTED IN U.S.A.